## 1. INTRODUCTION

## 1.1 BACKGROUND

To develop an alternate source of disposing produced water generated from oil and gas development activities in the area, WPX Energy Rocky Mountain LLC ("WPX") proposes to directionally drill a new water disposal well from the existing SG 31-32 pad on fee surface and dispose produced water into the bedrock interstices (pore space) of Federal fluid mineral lease COC58673. Drilling of the well with the follow-up injection program would occur in fall-winter 2015. The project area includes portions of Section 32, Township 7 South, Range 96 West, 6th Principal Meridian (**Figure 1**).

The SG 31-32 pad, located approximately 6.5 miles southwest of Parachute, Colorado on WPX property with underlying fee minerals, would be re-constructed to drill the water disposal well (WDW) creating a re-disturbance of 5.73 acres. The SG 31-32 pad was initially constructed in 2008 to drill 2 fee oil and gas wells; the pad underwent interim reclamation work in 2011. The existing access road serving the pad is adequate for the planned activities. A new water line would be buried in the access roadway to provide produced water delivery for the disposal well. Included in the proposal is a variety of design features and best management practices to avoid or minimize impacts to the environment. In addition, the BLM would apply and enforce the Conditions of Approval (COAs) listed in the Appendix for surface and drilling (downhole) operations.

Produced water generated from wells on the Federal lease COC58673, along with off-lease produced water, would be disposed into the well, requiring approval of a Federal Application for Permit to Drill (APD) as directed in Onshore Order Number 1, Part III. As part of the APD review, BLM will ensure that Federal fluid minerals are adequately protected for continued lease development in the future. BLM also has permitting authority under the Federal Land Policy Management Act of 1976 (FLPMA) to issue a right-of-way (ROW) to WPX to authorize the disposal of off-lease produced waters into the Federal pore space of the oil and gas lease held by WPX. Colorado Oil and Gas Conservation Commission (COGCC) would also issue a permit to drill the disposal well under the Underground Injection Control program delegated by Environmental Protection Agency to the state of Colorado.

## 1.2 PURPOSE AND NEED FOR ACTION

The purpose of the action is to enable WPX to directionally drill a water disposal well on fee surface for the purpose of injecting produced water generated from wells on-lease and from other off-lease wells into the pore space within Federal lease COC58673. Under the Mineral Leasing Act, the Mining and Minerals Policy Act of 1970, the National Materials and Minerals Policy, Research, and Development Act of 1980, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987, the BLM has been charged specifically with responding to applications to access leased mineral rights, i.e., the APD for drilling the water disposal well (WDW). Under the provisions of the Federal Land Policy and Management Act of 1976 (FLPMA), the BLM is charged with managing public lands for multiple use, including the processing of land use applications such as the right-of-way (ROW) allowing for the disposal of fluids and related fee collections. Proposed actions are reviewed and processed under the National Environmental Policy Act of 1969 (NEPA) to ensure no undue degradation or impacts to public lands.

Although the project site is located on private lands and does not involve the extraction of Federal fluid minerals, the APD authorizes the drilling of the WDW to dispose fluids from producing on-lease wells into the Federal pore space. Consequently, the Environmental Assessment (EA) focuses on the drilling of the WDW, the installation of the ancillary buried water pipeline, and the injection of waters into the Federal lease.

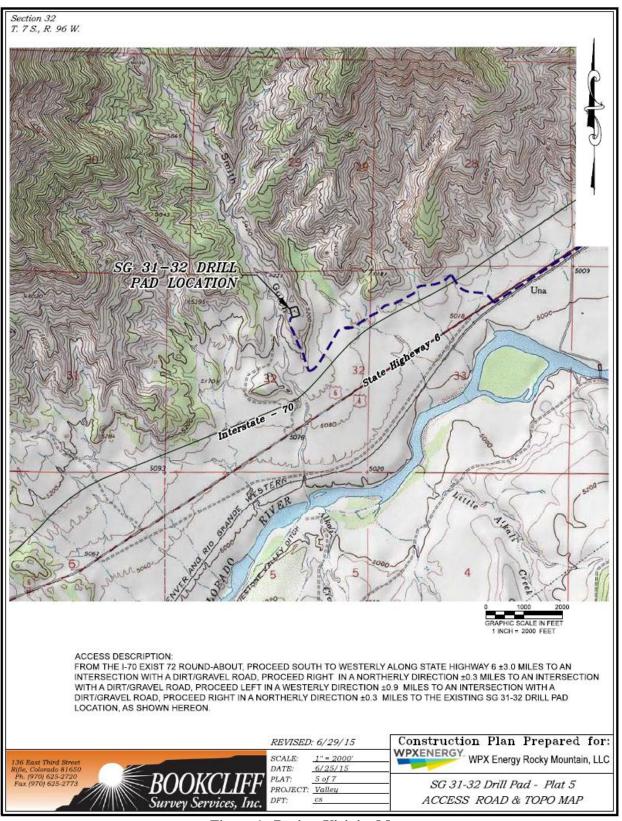


Figure 1. Project Vicinity Map